	THE DIRECTOR OF CENTRAL INTELLIGENCE	
	WASHINGTON 25, D.C.	
	19 May 1964	
	The Honorable Kermit Gordon	
	Director Bureau of the Budget	
	Washington, D. C.	
	Dear Mr. Gordon:	
	You have asked for my views concerning the magnitude of the over-all U.S. foreign intelligence effort required between now and Fiscal Year 1969 and any changes which I anticipate in the basic "mix" of collection techniques. You have also asked about the budgetary implications of various special studies or community-wide reviews which I have undertaken, as well for my comments on the Consolidated Cryptological Program and the National Reconnaissance Program.	
	These questions are of course interrelated. As regards the Consolidated Cryptological and National Reconnaissance Programs, you are aware that reviews for the purpose of developing specific budgetary proposals are currently underway and will not be completed until the latter part of June. The Consolidated	
	Be completed until the latter part of sunc. The conservation	2
	also not be available for specific comment until late June.	
:	Pending completion of these reviews, in which my representatives are participating, my comments concerning probable future trends in the cost of intelligence activities are necessarily	
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NSA NE	RO reviews completed	

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	These figures, while adequate to suggest the general order of magnitude of the U.S. intelligence effort through 1969, may be significantly changed as a result of considerations outlined below. In any event, the figures exclude the cost of certain activities such as peripheral reconnaissance which perhaps should be charged, in part at least, to the national foreign intelligence effort. Whether this or other activities are properly included in the cost of national intelligence can be better decided after completion of an inventory which I have initiated of all national intelligence activities. Differences in accounting procedures as between different services and agencies, and differences of opinion as to what is or is not a national intelligence activity make such an inventory a complex and difficult undertaking. I do not believe that it can be completed, even in preliminary forms for several months.
	Considerations which may affect the cost and magnitude of future programs are as follows. These considerations have been suggested partly by special studies and community-wide reviews which are under way. They are partly the result of my own personal observations of the intelligence community and its activities over the past two and a half years.
	a. Adequacy of facilities for warning of a military attack.  assisted by representatives of my personal staff, is undertaking a thorough study of programs and activities conducted for the purpose of providing early warning of an impending military attacks.
	on the U.S. His study should help to establish a basis

for determining whether the cost of these programs is justified by the contribution which they make to our warning system. Intelligence judgements in this field
It is conceivable that our study could establish that certain programs on which we currently rely for indications of a possible military attack do not in factorized provide sufficiently dependable information to justify their continuance for this purpose. It does not necessarily follow that these programs can be reduced or eliminated as they may serve legitimate requirements other than "early warning." Moreover, any savings that can be
effected by reduction in the existing SIGINT program; may be offset, or more than offset, by certain factors, the principal of which are:

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be characterized as the need for local intelligence on the deployment of the military forces of non-Communist, as well as Communist countries other than Soviet Russia and Communist China. With U.S. commitments around the world and the certainty of struggles in and between foreign countries which are likely to affect U.S. interests, the need for intelligence coverage of local military strength will predictably increase. This trend can be illustrated by expanding requirements for intelligence on the strengths and deployment of military forces These requirements will continue to burden the espionage

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facilities of the Government and also those concerned with overt collection.

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		d. Political intelligence. Considerations somewhat	25X1
		the cost of programs for the overt or covert collection of intelligence is unlikely to change substantially.	25X1 25X1 25X1 25X1
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